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OLD NALEDI AND POVERTY IN THE CITY

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Abstract

Focus on rural poverty in the developing world has underplayed the existence of urban poverty, which, in some cases, is becoming more accute than rural poverty. So far, rural-urban migration has not triggered investigations into its effect on the urban areas. This paper aims to redress this issue, using as a case study Old Naledi, a slum of Gaborone, Botswana's capital city. Its scope is the small scale traders. The paper contends that in order for poverty to be eliminated, a poverty profile of the poor communities needs to be given. This enables systematic development planning of the community by the authorities. To that end, the paper presents and analyses the socio-economic data of the small scale traders in Old Naledi.

The paper highlights a few main findings. It is mainly the women that do the trading in Old Naledi. Most of them are small scale traders who are part time entrepreneurs in that they have a regular job which pays them very little. Two things undermine small scale trade in Old Naledi. These are the City Council regulations which demand that these traders have trading licences, and the large scale traders who trade in Old Naledi but live outside the township.

Introduction

In Botswana, the poverty issue is more than pervasive. Despite a programme sustained public investment in social sector development, resulting in public expenditure ratios of between 32% and 44.5% in each of the 10 years between 1983 and 1993, well over 40% of the Batswana were still reported to be living below the Poverty Datum Line (PDL) in the year 1993 (UNDP/Botswana Government/UNICEF 1993:97). The proportion of Batswana living in poverty has increased rather than decreased during years of high GDP growth. Although the high expenditure in social sector development has resulted in a general improvement of the indicators of quality of life in Botswana, poverty is still a major problem in 1995, almost 30 years since Botswana gained her independence. A quarter of the population below the PDL (or 10% of all households in Botswana) currently relies heavily on government support under programmes such as Drought Relief, Remote Area Dwellers Feeding Programme, and those under which the Social and Community Services Unit feeds the destitute.

The disparity in the distribution of national assets and income is glaring. The top 20% of the population earns almost 24 times as much as the bottom 20% (UNDP/Botswana Government/UNICEF 1993:15). Not only are such disparities no longer acceptable; without decisive action they will tend to be self-reproducing.

Since independence in 1966, the thrust of government efforts to deal with development has focused on rural areas. But the movement of people from rural to urban areas has been phenomenal. From a population that was only 10% urban in 1966, Botswana now has a population that is above 40% urban (Botswana Government 1995:46). While it is necessary to continue with the development effort in the rural areas, it is clear that urban areas also need similar attention very urgently as the persistence of poverty in the rural areas is likely to accelerate rural-urban migration.

There are many ways in which the government can address urban poverty. One way would be to deal with it by focusing on one section of the urban poor at a time. Another would be to address it through a policy of urban development that targets all poor population groups at the same time.

Aim of the Paper

The primary aim of this paper is to lay a basis for taking decisive action to combat poverty among a section of the urban poor. It does that by investigating the possibilities of alleviating the poverty of small-scale traders in the slum

settlement known as Old Naledi, in Gaborone. The paper attempts to achieve that goal through an in-depth survey and analysis of the key entrepreneurial variables of the microentrepreneurs concerned, as viewed against the entrepreneurial climate or setting of Old Naledi. In effect, the analysis unmask the potential for entrepreneurial expansion among traders (most of whom are women) in this settlement.

Some of the variables that are analysed relate to the microentrepreneurs, while others are institutional. The paper provides a poverty profile of the entrepreneurs. A poverty profile is an analytic device for summarizing information on sources of income, consumption patterns, economic activities, and living conditions of the poor (World Bank, 1993:32).

Normally, a poverty profile starts with a definition and measure of poverty based on one or more poverty lines. However, poverty lines capture only the income or the consumption dimension of poverty. For greater policy relevance, data are also needed on the living conditions of the poor and also on the economic environment in which they operate. This is the approach taken in this study. The study presents more data on income than on expenditure or consumption. This has been predicated by the difficulty encountered in collecting data on expenditure.

More attention is paid to women, not just because female small traders outnumber their male colleagues, but more so because it is now widely accepted that household income levels are more easily improved when economic empowerment is afforded women than in cases where it is accorded to men. A recent study has confirmed what was observed a few years back, namely, that women spend more on family necessities if earnings accrue directly to them (World Bank, 1993:30). Because they put their family needs first, they do not usually operate their microenterprises on a commercial scale, or on commercial lines even where they claim business to be their primary occupation.

Nevertheless, the subordination of women to men is still a reality in the developing world where the traditional social structure also denies women privileges which are enjoyed exclusively by men. For that reason, development programmes which are designed broadly for the poor do not usually benefit women unless specific mechanisms are put in place to direct them to women. In view of the foregoing, power relations between women traders and their spouses will be investigated in this study, to show how that affects the microenterprise as well as the use of cash within households among Old Naledi microentrepreneurs.

Objectives of the Research

More specifically, the broad objectives of this paper may be stated as follows:-

1. To conduct a survey of conspicuous small-scale economic enterprises in Old Naledi.
2. To study the constraints to enterprises in this settlement, with respect to personal limitations of the microentrepreneurs and the institutional limitations.
3. To establish the entrepreneurial characteristics of the poor in Old Naledi.

Objective 3 above includes these variables: gender, level of formal education, disposable income, monthly turnover, regularity of the turnover, age, headship of household, marital status, type of enterprise(s), length of time in this enterprise. The reason for collecting data on the length of time in a particular enterprise is largely to give an idea of the frequency with which new businesses are mushrooming in this township. As will be shown later, Old Naledi is mainly a transient settlement through which people pass from one phase of their lives – while they are seeking ground on which to lay their feet economically – to a higher phase in which they live a relatively better life.

Methodology

Fieldwork for this study was done over six months, from February to August in 1993. To execute the study in terms of the stated objectives, data was collected in Old Naledi with the assistance of four research assistants, two of whom were female. The point in hiring female assistants was to attempt some gender balance even in the collection of data. This was especially necessary since it was envisaged that the majority of entrepreneurs would be women.

The team of four assistants surveyed the whole of Old Naledi and identified a total of 169 traders. This figure was then taken to be the total number of traders in Old Naledi. Out of it, 107 traders (or 63%) were females.

Following from that, a universal sample of all such traders was taken, as the figure of 169 was considered small enough to be handled by the team in the six months that was allocated for fieldwork. This means that all the 169 traders of the slum settlement were visited and interviewed. A questionnaire which

encapsulates all points raised under the objectives was administered by the assistants on every trader.

In a socio-economic study of this nature, quantitative data need to be complemented with qualitative one. To that end, direct observations were made in addition to the administration of the questionnaire. Observations were made largely by the researcher and to a smaller extent by the assistants. Observations focused mainly on discernible living conditions, relationships between neighbours, the mood of the residents etc.

Data collected through the questionnaire and by observation were then processed in terms of the objectives of the study. Tables were produced to summarise different kinds of information, for example, the number of males and females, income distribution, age profile, number of traders with kiosks etc. The tables (1-6) capture various types of the poverty line data that were deemed necessary to answer the research questions. Although data in the tables are quantitative, some qualitative data were also collected by both the assistants and the researcher. Qualitative data are used in the text to give more meaning to figures. The description of the physical and social conditions of Old Naledi in the next chapter, for example, is based largely on qualitative data.

Data for institutional constraints were collected by the researcher through interviews with a Licensing Officer of the Gaborone City Council, a manager of Barclays Bank and a Trade Officer in the Ministry of Commerce and Industry.

Results of the Study

Physical and Social Condition Of Old Naledi

Ever since 1965 when Old Naledi was built, its social conditions have always been deplorable. In spite of whatever upgrading was done around 1979, the slum still lacks most facilities commonly found in planned site-and-service areas of Botswana's urban areas. The settlement looks older than elsewhere in Gaborone due to dilapidation. There are no permanent roads except for one tarmac road that traverses the settlement. Many dirt roads within the township end nowhere. Sanitation is deplorable. There is no sewerage disposal system. Only pit latrines are used. Storm water drainage is chaotic as no ditches have been erected for that purpose. Nor are there stand pipes in the individual homesteads. There are a few standpipes which appear rather clustered in certain areas, leaving quite large portions of the township unserved with water.

Streets have no lights, although the City Council is planning to provide lights on all main streets. Consequently, travelling at night is very dangerous and most crimes are committed under the cover of darkness. The only possibility to make a telephone call is at the single telephone booth near the police station. Long queues usually form for those wishing to make a call.

Although many dwellings have been upgraded from structures that were initially erected with plastic and cardboard boxes to small tin-roofed houses, overcrowding remains a big problem. Such high congestion of dwellings means that the risk of fire is very great. If fire broke out, it could be devastating and would consume a large part of the township within a very short space of time. Not much would be salvaged.

The reason for the high congestion is best explained historically. In earlier times, before title deeds were given for Old Naledi plots, many dwellings were made from flimsy material. Then, a landlord simply owned an empty plot and then leased a specified amount of space on it to different tenants who would put up a dwelling. The landlord was all out to make as many leases as possible on his plot, while for their part, those to whom the space was leased tried their best to reduce risks of financial loss by using the cheapest building materials. The reasoning of the tenants was that if they used cheap materials for putting up dwellings, then they did not lose much if they were evicted by the landlord or when they chose to move out of the plot, following an increase in the rent or if congestion within the plot worsened.

The result of such policies by landlords was that, on a plot of 300 square metres, it became common to find two to three households made up of couples and families of up to five members (Larson 1986:13). So much congestion induces a low health level among Old Naledi residents. Although Old Naledi was turned into a site-and-service area after it was upgraded, its health level is worse than what obtains in other site-and-service areas. Health workers doing their turns in this slum acknowledge this fact. The most frequent diseases for which the residents of this slum come to the clinic for help are those normally associated with overcrowding and a low standard of living. These are tuberculosis, malnutrition, sexually transmitted diseases, respiratory diseases and assaults that are connected with excessive consumption of alcohol.

However, quite a few decent houses have recently been erected on the larger plots of Old Naledi. There are signs of improvement in a few others. Three homesteads actually had electricity, one also had a perimeter wall. Nevertheless, the general background remains bleak. The average plot size is about 200 square metres, ranging from 180 to 280 square metres. This figure compares with the site and service plots that are provided under the Self-Help

Housing Agency scheme (SHHA). SHHA plots have an average size of 269 square metres (Botswana Government 1992:16).

On almost every other plot there is a 'shebeen queen' (popularly known as *she-bee*) selling chibuku. The high frequency of 'shebeen queens' is actually a manifestation of high levels of informal sector in this slum. In 1986, about 26% of the plots in Old Naledi were used for informal businesses as well as dwelling places. At the same time, slightly more than 50% of the households were dependent solely upon the informal sector. At least 75% of those engaged in the informal sector were women (Larson 1986:4). Currently, the percentage of households engaged in the sale of chibuku beer has increased, as is indicated later in this study.

Poverty Line Data

So far, only a narrative description of the harsh circumstances under which Old Naledi residents live has been given. Presented below in the form of tables are some data on poverty line of the microentrepreneurs of this township. The narrative and the tabular information are meant to compliment each other. Missing from the tabular data below are figures on property ownership. Attempts to solicit such information from the respondents did not bear fruit. As a result, income is the only guide to the amount of resources that the microentrepreneurs command.

Tables are presented first, after which discussion and analysis of data in them follows. This arrangement is designed to enable the reader to make a full scan of all data so as to refer more easily to them when it is discussed under various sub-topics later. The source of all data in tables 1 to 7 is field work which was done by the reseachers over six months in 1993.

Table 1 : Demographic And General Characteristics Of Respondents

No. of respondents:	169
Males	62 (36.6%)
Females	107 (63.4%)
Average age	35.2 years
Age of youngest trader	17 years
Age of oldest trader	69 years
Unmarried	41 (24.2%)
Married	70 (41.4%)
Divorced	4 (2.4)
Average no. of dependants	6
Cohabiting	54 (32%)

Table 2 : Educational Levels

Number of respondents	169
No formal schooling	18 (10.6%)
Some primary education	129 (76.4)
Some secondary education	22 (13%)

Table 3 : Kiosk Ownership

Number of respondents	169
Number owning kiosks	120
Chibuku beer kiosks	120 (71%)
Number selling from a stall at market place	24 (14%)

Table 4 : Turnover

Total number of respondents	169
Average monthly turnover from trading	P 753.39
Lowest monthly turnover from trading	P 140.00
Highest monthly turnover from trading	P 12,000*
Median monthly income from trading	P 460.00
Respondents with another income	122 (72%)
Number with income from employment	80 (47%)
Average monthly income from employment	P 401.68
Lowest monthly income from employment	P 100.00
Number with income from rental	43 (25%)
Average monthly income from rental per renting household	P 87.00
Highest monthly income from another source	P 2,500.00
Average living expense for all traders	P 253.80
Lowest living expense per month	P 60.00
Highest living expense per month	P 1,700

Note: 42 businesses (25%) are not more than three months old in Old Naledi

*This figure is from a larger scale trader who is resident outside Old Naledi.

Table 5 : Housing

Total number of respondents	169
Traders living in own houses	79 (46.7%)
Traders renting room/house	90 (53.3%)
Average rent paid	P 87.00
Lowest rent paid	P 12.00
Highest rent paid	P 270.00

Table 6 : Market Preference

No. of traders living in Old Naledi	164 (97%)
No. of traders living outside Old Naledi	5 (3%)
Number preferring Old Naledi for market	109 (64.5%)
No. desiring other parts of Gaborone	21 (12.4%)
Number desiring out of Gaborone	34 (20.1%)

Main Labour Market Characteristics of Traders

Wekwete (1993) underscores the need to identify and clearly describe the urban poor as well as to isolate their main labour market characteristics. Under this subsection, this important requirement will be fulfilled, on the basis of the data given in the tables above.

The need to clearly distinguish the poor from others in a place like Old Naledi is very important because in this community (and indeed in other slums elsewhere) there are poor people as well as others who are not so poor. The characteristics of the different socio-economic groups are also different. It is crucial to separate them and not to lump them together. One of the overall aims of this study is to investigate the economic relations between the different socio-economic classes.

The analysis of the data in the tables calls for some breaking down of certain figures. For example, Table 4 on turnover shows that 80 respondents (almost half the total number) acknowledged receiving an income other than that from trading in Old Naledi. In fact, 75 of them are employed, so that this second income is actually a wage. Most working respondents (48 out of 75) are employed within the lower echelons of the formal sector, as security guards in government offices and in firms. A total of 19 of them work as labourers in the construction industry and the remaining seven are cleaners. One of them owns a small shoe repairing company, which is located in Gaborone but outside Old Naledi. He has the highest turnover of P2,500 per month from it. This means that paid employment clearly favours men. Security guards and labourers have both been traditionally male roles.

But a few women are being recruited into these jobs purely as a result of pressure from women's organisations, which press for a gender-balanced approach to employment. Consequent upon that, some eight women are now engaged as security workers while some five work as labourers in the construction industry. The employment of women as labourers in the construction industry was hitherto unheard of.

All seven cleaners are females. Of the three categories, cleaning is the least paid. The average wage for a cleaner within the formal sector where four of them are employed is P350.00 per month. Three of them are employed as house-maids, with an average monthly wage of P100.00. The averages for the two male dominated job categories of security guard and construction worker are P500.00 and P470.00 respectively.

What this means is that income from wages (what is reflected as the second income in Table 4) goes mainly to the males and only to a very small extent to the females. The fact that women are mainly employed as cleaners would seem to corroborate the general observation that in the developing world, poor women are found in lower-end jobs with lowest pay levels (World Development, 1993:240).

Consideration of income from trading does not change this trend in any way. Table 4 on income further shows that the average monthly income is P753.39. The lowest income is shown as P140.00 per month, while the highest is P12,000. Due to the great differential between the highest and the lowest figures, the median figure becomes more useful than the arithmetic mean. Therefore, P460.00 (the median figure) is a better guide of what the average trader makes per month than the P753.39 which is the arithmetic mean.

Two related points of importance need to be highlighted in this connection. Table 1 shows that the majority of traders receiving this amount are women (107 females out of a total of 169). Although only 24.2% of them are unmarried, from casual interviews it became evident that a large number of those who reported that they were married or cohabiting could not count on a regular financial support from their spouses, who seldom gave them any money. When they did give them money, the amounts were small and came at very irregular intervals, even among spouses that had a regular income.

It is important to see the average income earned in relation to the effective minimal level (EML). The EML is one and a half times the poverty datum line (PDL). It is preferred over the PDL because the PDL is thought to leave out many poor people, erroneously classifying them with the middle income groups. The last EML figure to be calculated by the Statistics Office was for the year 1989. At that time, the PDL for Gaborone city was calculated to P150.39 per person. The average size of Old Naledi households is 6 persons. The PDL for an average household would therefore be around P902.34 in 1989. The EML would therefore be P1353.51 for an average household of six in Gaborone.

It is expected that these figures would have risen by the year 1995, in line with the general increase in the cost of living. Nevertheless, the biggest problem with the figures is that they were calculated for Gaborone. Assuming that it is half as costly to raise a family of six in Old Naledi than it is to do so in other parts of Gaborone, we would say that the EML for Old Naledi in 1993 would have been somewhere around P676.75 (which is half of P1353.51). Even though this figure is reduced by half, it is still higher than the median income figure of P460 from Old Naledi microentrepreneurs.

What this seems to suggest is that the Old Naledi microentrepreneurs are the poor in the true sense of the word. Some thirty percent of the urban dwellers had incomes equal to or below the EML in 1989. Clearly, these microentrepreneurs are included in that figure of thirty percent.

The next point takes us to another common feature among poor people. In general, women complained that their spouses drank too much and often spent too much money on beer. Cases of men coercing their spouses to give them money came up occasionally during interviews. In some instances, women were threatened but no case of actual violence or manhandling was reported. Both married men as well as males merely cohabiting were said to be fond of pressuring their spouses to give them money.

Women stated that in order for them to protect their money from being squandered by their spouses, they had to understate their wage or the amount collected daily from the microenterprise. A common strategy among women was to dissuade their spouses from taking an interest in their businesses by presenting a gloomy picture of its performance. This strategy appeared to be working successfully. But what it meant was that the microenterprises that are owned by women lack the input and the support from the spouses of these women.

Although level of formal education attained does not always correlate with wealth, it remains an important variable in terms of social classification. A point that suggests more positively that people who go to live in Old Naledi are the poorest in the society is their level of education. According to data from a survey carried out in 1986, some 50% of the entire population of this settlement had never been to school (Larson, 1986:4). For all of Gaborone, the percentage of all people who had never been to school was then only 31, while for the site-and-service areas of the city the percentage was 35. Consequently, it may be deduced that when taking Gaborone District as a whole, the illiteracy level is probably highest in Old Naledi.

Educational levels did not vary significantly between the two sexes. The fact that only 13% of the microentrepreneurs have some secondary education explains why those of them who are employed in town are only doing menial jobs. It now takes someone with at least a junior secondary school certificate to get a job above the level of labourer. Economic projections indicate that Botswana's days of economic boom may be over, given the poor performance of the diamond industry worldwide. Currently, in 1995, the country is experiencing growing unemployment. As would be the case everywhere, it is those with low levels of skill and those with little formal education that are most affected by unemployment. The unemployment rate amongst job seekers who hold a primary school leaving certificate is reported to be 14% while for those with a secondary school certificate the rate of unemployment stands at 10% (Central Statistics Office, 1992).

The case of Old Naledi is made worse by the fact that many who claim certain levels of formal learning, be it primary or secondary school, have not actually completed them. This means it is even harder for them to find employment than it is for those who have completed these formal schooling levels. The reason why Old Naledi has a 47% employment rate (at least among the microentrepreneurs) is simply because of the relationship between this township and Gaborone with respect to accommodation. People with a low paid job who are unable to rent accommodation in Gaborone move to Old Naledi to live there.

In some cases, therefore, people come to settle in Old Naledi when they already have a job. This happens in cases where people find it difficult to continue to pay relatively higher rent in other parts of Gaborone. Such a situation appears to inflate the level of employment within the township. As observed earlier, most waged people in this slum are employed in the construction industry where there is virtually no job security and where jobs are temporary by their nature. Such a situation seems to conform to the general pattern across developing countries where the poor are not always found only in the informal sector but also in the formal sector. As Wekwete rightly points out, the issue is not the sector one is employed in but rather the low wages and low productivity (Wekwete, 1993:3).

With respect to business, the low formal educational level among Old Naledi residents implies that the microentrepreneurs rely to a large extent on intuition for the needed business skills and lack the back up support that formal education normally provides. Low formal educational levels among residents of Old Naledi also make it difficult for these people to participate in decision-making structures which design their welfare. There are three Councillors for Old Naledi, but committees which in other parts of the city assist the Councillors are non-existent in this township. In other words, the participation of these people in the development of their community is low, in comparison with that of others elsewhere in Gaborone. Consequently, it would appear that the lack of services to residents of this township is bound up with their lack of participation in the political decision making structures.

Ownership of an ideal marketing locality is a great advantage for any entrepreneur. Table 3 on ownership of kiosks shows that the overwhelming majority of Old Naledi microentrepreneurs (120 out of 169 or 71%) are those that sell their goods from a kiosk. In addition, there are 24 other kiosks which sell nothing else but chibuku beer. The number of microentrepreneurs who are renting a stall at the two market places of the township are 25, or 15% of the total number of entrepreneurs.

The divide between the two market outlets – the kiosk on the one hand and the stall on the other – actually describes a major economic relief, namely, the divide between the formal sector and the informal. Quite clearly, the type of trading that occurs in the kiosk belongs fully to the informal sector, while that which goes on in the stall as well as that carried out in the stores falls within the formal sector. The trading that is based at the market place is facilitated by the state in that the stall is built and rented out by the state.

Therefore, this type of trade – unlike that which obtains in kiosks – is able to meet the specified official requirements, some of which relate to standards of cleanliness and regulated times of running the business. Premises where the market stalls are located are inspected constantly for health purposes. Entry into the stalls is also restricted in that a licence is required as a condition for obtaining one. Payment for the licence and for the rent would suggest that the starting capital for those traders in the market place is significantly more than what it is for the type of trader who operates from a kiosk. This is especially so when one considers that even the range of goods sold is wider in the stalls. However, running a kiosk also requires a licence, although many kiosks operators do not have one, as is indicated later under Institutional Constraints.

The advantages of selling in a market place stall over doing business in a kiosk is best appreciated when financial returns from these two outlets are compared. The average daily revenue generated from a kiosk is a meagre P30.00 against a staggering P120.00 from a rented stall. Microentrepreneurs who rent a stall at the market places pay a monthly fee of P200.00. This amount is nothing compared with the more than P2,000 that such traders make in a month, on average. For both the entrepreneurs selling at the market place and those doing so from their kiosks, great fluctuations in turnover are reported. Business gets much better on weekends and on month ends, when most of the wage-earners receive their pay.

Housing is another major factor in the general life of Old Naledi residents, especially the traders. Table 5 shows that only 79 of the 169 microentrepreneurs live in their own accommodation, while more than half of them (90 or 53%) live in rented accommodation. The housing situation in this township also sheds more light on the financial relationships across the different economic sectors. The average rental paid is P87.00 per household per month. Since in some cases one plot can hold up to 10 households, it can be inferred that some landlords make a good income through letting out their plot to many households. Although specific figures are not available, the range of monthly income from renting out accommodation would seem to lie between P87.00 and P600.00.

Some of the microentrepreneurs that live in their own accommodation also rent out portions of their plots. Usually, such landlords have erected some respectable small building for their own use. Income from rentals is usually used to boost trading. In general, the allocation of finance across different economic activities is done haphazardly and without records or accounts being kept. Consequently, it is not easy to measure the profitability of trading.

It is significant to note that these people generate income from a number of economic ventures. In this respect, their economic strategies are in line with the commonplace around the developing world. In Manila, for example, the poor do two to three jobs to make ends meet. In that country too, like we have shown for Old Naledi, the poor who are employed within the low paying levels of the formal sector also enter the informal sector to supplement their incomes (Mathur, 1993:4).

Yet, that is not to suggest that everybody who does trade in Old Naledi is poor. Table 6 shows that 5 traders (3% of the total) live outside Old Naledi. These are actually the largest traders, two of whom own a store each in the township, two of whom rent a stall in the market and one of whom runs a panel-beating outfit. These large traders have penetrated the township purely to take advantage of lack of trading facilities at the scale and scope at which they are providing them. It is they who make the most income in this slum. The highest income of P12,000 per month was reported by one of the two store dealers, who happens to own the largest trading outlet in Old Naledi.

Institutional Constraints

Having considered the characteristics of the individual microentrepreneurs, attention is now focused upon institutional constraints. Institutional constraints refer to problems that are attributable to the state through its development programmes, and its rules and regulations which govern trading, as well as problems that are posed by the formal sector organizations such as the commercial banks. Under this sub-heading, attitudes of people towards women will also be discussed because women are the majority of the traders in the township.

The first constraint relates to licencing regulations for traders. A hawker's licence is required for the kind of traders who operate in a kiosk. Yet, quite a number of kiosk owners in Old Naledi operate without a licence. Normally, they pretend to have one whenever they are asked, especially by researchers. However, once in a while the City Council authorities make spot checks and close down kiosks of microentrepreneurs who are found not to have a licence. Consequently, many kiosk owners operate in fear and do not sell to customers they suspect to be authorities or spies. This practice has the effect of thinning down their share of the market which is already saturated by the prevalence of many kiosks selling similar goods in close neighbourhoods.

The second point relates to credit facilities. According to one observation, the urban poor are among the most entrepreneurial people in society (McKee,

1989: 993). Yet, they are denied credit by commercial banks because they are considered a bad risk since they lack collateral. In addition, because small traders borrow small amounts of money, transaction costs to the banks are very high. As a result, commercial banks tend to avoid lending to many small borrowers. Those that are disadvantaged in this manner are the very poor, mostly the women with many dependants.

In Old Naledi, all the 169 traders interviewed were aware that they could borrow money from commercial banks. Not even one of the kiosk operators admitted having tried to borrow from a commercial bank. A shared feeling among them was that such banks would never lend to them, since they would be considered not credit worthy. By contrast, the two largest traders had sizeable loans with the commercial banks. In fact, although they would not disclose the amounts involved, they admitted that they stocked their stores with merchandise bought with money loaned by the commercial banks. Large wholesalers also regularly gave them credit facilities to enable them to order the stock. This was not the case with kiosk operators.

Seven of the 25 traders who rented a stall at the market place also had been lent money by a commercial bank. Six of them (or 86% of those that had been lent money) were males. The gender imbalance in favour of males in this case illustrates a cultural disadvantage of being a woman within Botswana's cultural social setting. In terms of the regulations of commercial banks, married women must be assisted by their husbands when borrowing money. Otherwise the banks may not lend them the money.

Conclusion

This paper sought to investigate the possibilities of alleviating the poverty of traders in Old Naledi. It sought to achieve this aim through a presentation of the poverty profile of the residents of this settlement, and then analysing the potential for their expansion as entrepreneurs. It is mostly the women that trade in Old Naledi. The overwhelming majority of them are small-scale traders, or microentrepreneurs. The traders of Old Naledi are heterogeneous in terms of their background but also show the same attributes over certain matters. Some of them came to the settlement directly from the rural areas while others have relocated in this township from Gaborone, where they had lost a job or where they failed to find affordable accommodation.

Some have a job while others do not. Some of those with a job as well as others without one also own and operate a kiosk. What this means is that some Old Naledi traders are engaged in more than one economic activity. Incomes

pooled from the various economic activities are low but the expenditure is high as the average number of dependents is six.

A number of the microentrepreneurs who operate a kiosk do not have a licence. The City Council regulations require everyone who operates a kiosk to have at least a hawker's licence. Law enforcement officers of the City Council make spot checks and arrest kiosk operators who do not have a licence. Consequently, traders without a licence are very much restricted in their business as they have to evade such officials. This has the effect of lowering their turnover.

The kiosk operators, who form the majority of traders, do not receive any credit facilities from the wholesalers, nor do they borrow money from financial institutions. These microentrepreneurs are considered a bad risk by wholesalers and financial institutions. It is not that they are unaware of these possibilities, either. The truth of the matter is that they do not have enough courage to approach the financial institutions because they are well aware that collateral security, which they lack, is a condition for obtaining loans. Wholesalers may not require collateral security but clout is necessary for a customer to be assisted.

In spite of their lack of formal education, the microentrepreneurs are conscious of all these things. By contrast, the two largest traders who operate in Old Naledi but reside outside the township had sizeable loans with the commercial banks. Wholesalers also gave them credit facilities. It is likely that this gesture fuels the success of their enterprises. The mid-range entrepreneurs who rent a stall at the market place also had at least some loans from the commercial banks.

All this serves to reflect the disadvantage in which the microentrepreneurs find themselves relative to the larger scale traders in Old Naledi. While the majority of traders that operate a kiosk are women, those who have loans are mostly males. This further demonstrates the weaker position of women in terms of trading.

A related issue that is of significance is the relationship between husbands and wives with respect to business dealings. Women often do not receive any entrepreneurial support from their spouses. Instead, women complain that more often than not their spouses (husbands or the men they cohabit with) press them to release the income from trading for use during their endless drinking sprees. In this context, a real hardship for married women is that in order for them to obtain a loan from a commercial bank, they need to have the full cooperation of their husbands. Eventually, the hardship faced by women is

aggravated by the fact that they have to support their large households as well as their spouses.

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